

1 KEVIN V. RYAN (CSBN 118321)
2 United States Attorney

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8 UNITED STATES DISTRICT COURT
9 NORTHERN DISTRICT OF CALIFORNIA
10 SAN FRANCISCO DIVISION

11 UNITED STATES OF AMERICA.

12 Plaintiff,

13 v.

14 MEHDI ROWGHANI,
15 GEOFFREY MICHAEL GLAZE, and
16 KEVIN HAROLD SMITH.

17 Defendants.

CR NO 04 0011

VIOLATIONS: 18 U.S.C. § 371 –
Conspiracy; 18 U.S.C. § 1030(a)(6)(A) –
Trafficking in Passwords Allowing
Unauthorized Access to a Protected
Computer; 18 U.S.C. §§ 1030(a)(2)(C) &
1030(c)(2)(B)(i) – Unauthorized Access to a
Protected Computer

SAN FRANCISCO VENUE

18 INDICTMENT

19 The Grand Jury charges:

20 General Background

21 At all times relevant to this Indictment:

22 1. Dallas European Parts Distributors ("Dallas European") was a Texas corporation
23 with principal place of business at 1505 Wallace Drive in Carrollton, Texas. Dallas European
24 was a wholesale distributor of replacement parts for German and Swedish automobiles. Dallas
25 European also maintained sales offices in Fountain Valley and San Diego, California; Houston,
26 Texas; Las Vegas, Nevada; Sun Valley, Idaho; and Lake Forest, Illinois. Dallas European also
27 did business under the name Dallas European ! Shoreline Imports.

28
INDICTMENT

2. Defendant Mehdi Rowghani was the President and Chief Executive of Dallas European.

3. Defendant Geoffrey Michael Glaze was a computer consultant employed by Dallas European.

4. Defendant Kevin Harold Smith was the Chief Technology Officer of Dallas European.

5. SSF Imported Auto Imports, Inc. ("SSF") was a privately-owned business with its principal place of business in South San Francisco, California. SSF was a wholesale distributor of automotive replacement parts, including Audi, BMW and Mercedes Benz parts.

SSF's Online Database

6. In approximately 2000, SSF established a Web site at www.ssfautoimports.com, which was hosted on a server located in South San Francisco, California. That Web site allowed authorized users to access a catalog database of replacement automotive parts developed by SSF. Based on SSF's sales experience, the database described more than 20,000 select replacement parts and identified the applications of those parts to specific models of cars. SSF also photographed over 6,500 automobile parts for viewing in the database. The database allowed customers to enter part numbers to search for cost, availability, manufacturer, comparable price, and application, then order the part online or directly from an SSF salesperson.

7. SSF restricted access to its online database by usernames and passwords. Existing SSF customers applied for passwords on the Web site by completing a password request, which required an account name, account number and telephone call back number. (New customers were required to first apply to open a credit account with SSF.) To complete the request for a password, SSF customers were required to acknowledge and agree to "Terms and Conditions of Use" which governed access to the Web site.

8. The site's Terms and Conditions stated as follows, among other things:

These terms govern your use of Online Order System portion of this website (the "Site") and your purchase of products from SSF Imported Auto Parts, Inc. ("SSF") at the Site. The Site is available only to qualified resellers ("Customers") who have registered and received access rights from SSF and who accept these terms by clicking on the "I Agree" button below.

1 * * *

2 User Account and Password

3 Upon registration, you will receive a username, password and account
4 designation. You are the only authorized user of the SSF account assigned to you.
You are responsible for keeping your access information confidential.

5 * * *

6 Confidentiality

7 The content at the Site is the proprietary information of SSF or its suppliers and is
8 confidential . . . In particular, all pricing information is confidential and
commercially sensitive. You may not use any of the content except for reviewing
9 and purchasing products from SSF for resale, and may not disclose it to anyone
other than your employees with a need to know.

10 9. SSF permitted access to the database by authorized users only during normal
11 business hours, establishing a time-check at login stage. Additional security measures regarding
12 the site were also employed, such as Web activity monitoring software.

13 10. Following these procedures, numerous customers obtained usernames and
14 passwords to gain authorized access into the SSF database, including Coast Mercedes Benz of
15 Costa Mesa, California; WPA Eurasian Parts Select of Temecula, California; Frank's of Laguna
16 Beach, California; Continental Cars of Austin, Texas; and AE German Car Service of Santa
17 Monica, California.

18 COUNT ONE: (18 U.S.C. § 371 – Conspiracy)

19 11. The allegations in paragraphs 1–10 are realleged and incorporated herein as if set
20 forth in full.

21 12. On or about and between dates unknown to the Grand Jury, but beginning no later
22 than April 2001 and ending no earlier than November 2001, both dates being approximate and
23 inclusive, in the Northern District of California, and elsewhere, the defendants

24 MEHDI ROWGHANI,
25 KEVIN HAROLD SMITH, and
GEOFFREY MICHAEL GLAZE

26 did conspire with each other and with other persons to traffic in passwords allowing unauthorized
27 access to a protected computer and to gain unauthorized access to a protected computer for

1 purposes of commercial advantage in violation of Title 18, United States Code, Sections
2 1030(a)(2)(C), 1030(c)(2)(B)(i) and 1030(a)(6)(A).

3 13. In furtherance of the conspiracy and to attain the objects thereof, the following
4 overt acts, among others, were committed in the Northern District of California and elsewhere:

5 Use of Coast Mercedes Benz Account to Gain Unauthorized Access

6 a. In or about 2001, an employee of Dallas European obtained the username and
7 password of Coast Mercedes Benz for the purpose of gaining unauthorized access into the SSF
8 database:

9 b. On or about July 31, 2001, defendant Glaze used the username and password of
10 Coast Mercedes Benz to gain unauthorized access into the SSF database, located in South San
11 Francisco, California;

12 c. On or about August 7, 2001, defendant Glaze used the username and password of
13 Coast Mercedes Benz to gain unauthorized access into the SSF database, located in South San
14 Francisco, California;

15 d. On or about August 13, 2001, defendant Glaze used the username and password
16 of Coast Mercedes Benz to gain unauthorized access into the SSF database, located in South San
17 Francisco, California;

18 e. On or about August 14, 2001, defendant Glaze used the username and password
19 of Coast Mercedes Benz to gain unauthorized access into the SSF database, located in South San
20 Francisco, California;

21 f. On or about October 4, 2001, defendant Glaze used the username and password of
22 Coast Mercedes Benz to gain unauthorized access into the SSF database, located in South San
23 Francisco, California;

24 g. On or about October 5, 2001, defendant Glaze used the username and password of
25 Coast Mercedes Benz to gain unauthorized access into the SSF database, located in South San
26 Francisco, California;

1 h. On or about October 8, 2001, defendant Glaze used the username and password of
2 Coast Mercedes Benz to gain unauthorized access into the SSF database, located in South San
3 Francisco, California;

4 i. On or about October 9, 2001, defendant Glaze used the username and password of
5 Coast Mercedes Benz to gain unauthorized access into the SSF database, located in South San
6 Francisco, California;

7 j. On or about October 10, 2001, defendant Glaze used the username and password
8 of Coast Mercedes Benz to gain unauthorized access into the SSF database, located in South San
9 Francisco, California;

10 k. On or about October 11, 2001, defendant Glaze used the username and password
11 of Coast Mercedes Benz to gain unauthorized access into the SSF database, located in South San
12 Francisco, California;

13 Use of AE German Account to Gain Unauthorized Access

14 l. In or about 2001, an employee of Dallas European obtained the username and
15 password of AE German for the purpose of gaining unauthorized access into the SSF database;

16 m. On or about October 9, 2001, defendant Glaze used the username and password of
17 AE German to gain unauthorized access into the SSF database, located in South San Francisco,
18 California;

19 n. On or about October 10, 2001, defendant Glaze used the username and password
20 of AE German to gain unauthorized access into the SSF database, located in South San
21 Francisco, California;

22 o. On or about October 15, 2001, defendant Glaze used the username and password
23 of AE German to gain unauthorized access into the SSF database, located in South San
24 Francisco, California;

25 Use of Frank's Account to Gain Unauthorized Access

26 p. In or about 2001, an employee of Dallas European obtained the username and
27 password of Frank's for the purpose of gaining unauthorized access into the SSF database;

1 q. On or about October 10, 2001, defendant Glaze used the username and password
2 of Frank's to gain unauthorized access into the SSF database, located in South San Francisco,
3 California;

4 r. On or about October 12, 2001, defendant Smith sent an e-mail to defendant Glaze
5 that provided Glaze with the password and username of Frank's to gain unauthorized access to
6 the SSF database.

7 Use of WPA Eurasian Account to Gain Unauthorized Access

8 s. On or about October 11, 2001, defendant Smith sent an e-mail from Carrollton,
9 Texas to an employee of a Dallas European subsidiary in Fountain Valley, California seeking the
10 password and username of a customer with access to the SSF database;

11 t. On or about October 11, 2001, defendant Smith received an e-mail in Carrollton,
12 Texas from an employee of a Dallas European subsidiary in Fountain Valley, California that
13 provided the password and username of WPA Eurasian to gain access to the SSF database;

14 u. On or about October 11, 2001, defendant Glaze used the username and password
15 of WPA Eurasian to gain unauthorized access into the SSF database, located in South San
16 Francisco, California;

17 Use of Continental Cars Account to Gain Unauthorized Access

18 w. In or about October 2001, an employee of Dallas European obtained the username
19 and password of Continental Cars for the purpose of gaining unauthorized access to the SSF
20 database;

21 x. On or about October 18, 2001, defendant Glaze used the username and password
22 of Continental Cars to gain unauthorized access into the SSF database, located in South San
23 Francisco, California;

24 y. On or about October 19, 2001, defendant Glaze used the username and password
25 of Continental Cars to gain unauthorized access into the SSF database, located in South San
26 Francisco, California; and

z. On or about October 20, 2001, defendant Glaze used the username and password of Continental Cars to gain unauthorized access into the SSF database, located in South San Francisco, California.

All in violation of Title 18, United States Code, Section 371.

COUNTS TWO THROUGH SIX: (18 U.S.C. § 1030(a)(6)(A) – Trafficking in Passwords to Gain Unauthorized Access to a Computer with Intent to Defraud)

14. The allegations in paragraphs 1–10 are realleged and incorporated herein as if set forth in full.

15. On or about the dates set forth below, in the Northern District of California, and elsewhere, the defendants

MEHDI ROWGHANI,
GEOFFREY MICHAEL GLAZE, and
KEVIN HAROLD SMITH,

did knowingly and with intent to defraud, traffick in a password and information similar to a password through which a computer may be accessed without authorization, to wit, the computer server hosting the Web site of SSF Auto Imports, Inc., which computer was located in South San Francisco, California, and such trafficking affected interstate and foreign commerce:

Count	Date	SSF Password
2	April 2001	Coast Mercedes Benz username “2066900” and password “coast”
3	October 11, 2001	WPA Eurasian username “9707562” and password “9146”
4	October 12, 2001	Frank’s username “3389726” and password “clara”
5	October 2001	AE German username “492150” and password “jerry”
6	October 2001	Continental Cars username “2219401” and password “parts10”

All in violation of Title 18, United States Code, Sections 1030(a)(6)(A).

COUNTS SEVEN THROUGH SIXTEEN: (18 U.S.C. §§ 1030(a)(2)(C) & 1030(c)(2)(B)(i) – Unauthorized Access to a Protected Computer)

16. The allegations in paragraphs 1–10 are realleged and incorporated herein as if set forth in full.

17. On or about the dates set forth below, in the Northern District of California and elsewhere, the defendants

MEHDI ROWGHANI,
GEOFFREY MICHAEL GLAZE, and
KEVIN HAROLD SMITH

did intentionally access a computer without authorization and in excess of authorized access, and thereby obtained information from a protected computer, to wit, the information contained in the computer server hosting the commercial Web site of SSF Auto Imports, Inc., which was obtained for purposes of commercial advantage and private financial gain, and such conduct involved an interstate and foreign communication:

Count	Date	Account Used to Gain Unauthorized Access
7	October 4, 2001	Coast Mercedes Benz
8	October 8, 2001	Coast Mercedes Benz
9	October 9, 2001	AE German
10	October 10, 2001	Coast Mercedes Benz
11	October 10, 2001	Frank's
12	October 11, 2001	Coast Mercedes Benz
13	October 11, 2001	WPA Eurasian
14	October 18, 2001	Continental Cars
15	October 19, 2001	Continental Cars

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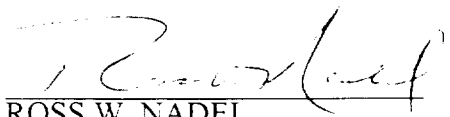
16	October 20, 2001	Continental Cars
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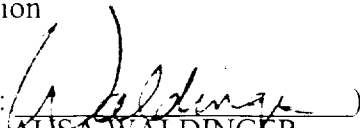
All in violation of Title 18, United States Code, Sections 1030(a)(2)(C) and 1030(c)(2)(B)(i).

DATED: A TRUE BILL.

FOREPERSON _____

KEVIN V. RYAN
United States Attorney


ROSS W. NADEL
Chief, Criminal Division

(Approved as to form: )
AUSA WALDINGER

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURTBY: ☐ COMPLAINT ☐ INFORMATION ☒ INDICTMENT
☐ SUPERSEDINGName of District Court, and/or Judge/Magistrate Location
NORTHERN DISTRICT OF CALIFORNIA**OFFENSE CHARGED**

See Attachment

☐ Petty
☐ Minor
☐ Misdemeanor
☐ Felony

DEFENDANT - U.S.

MEHDI ROWGHANI

DISTRICT COURT NUMBER

PENALTY:

See Attachment

CR 01 0011

DEFENDANT**IS NOT IN CUSTODY**

- 1) ☒ Has not been arrested, pending outcome this proceeding
If not detained give date any prior summons was served on above charges
- 2) ☐ Is a Fugitive
- 3) ☐ Is on Bail or Release from (show District)

IS IN CUSTODY

- 4) ☐ On this charge
- 5) ☐ On another conviction
- 6) ☐ Awaiting trial on other charges } ☐ Fed'l ☐ State
- If answer to (6) is "Yes", show name of institution

Has detainer been filed? ☐ Yes ☐ No } If "Yes" give date filed

Month/Day/Year

DATE OF ARREST

Or... if Arresting Agency & Warrant were not

Month/Day/Year

DATE TRANSFERRED TO U.S. CUSTODY☐ This report amends AO 257 previously submitted**PROCEEDING**

Name of Complainant Agency, or Person (& Title, if any)

Federal Bureau of Investigation

- ☐ person is awaiting trial in another Federal or State Court. give name of court

☐ this person/proceeding is transferred from another district per (circle one) FRCP 20, 21 or 40. Show District

☐ this is a re-prosecution of charges previously dismissed which were dismissed on motion of:

☐ U.S. Att'y ☐ Defense

☐ this prosecution relates to a pending case involving this same defendant

☐ prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under

SHOW DOCKET NO.

MAGISTRATE CASE NO.

Name and Office of Person
Furnishing Information on
THIS FORM

KEVIN V. RYAN

☒ U.S. Att'y ☐ Other U.S. Agency

Name of Asst. U.S. Att'y
(if assigned)

Kyle F. Waldinger

ADDITIONAL INFORMATION OR COMMENTS**PROCESS:**☐ SUMMONS ☐ NO PROCESS* ☐ WARRANT Bail Amount: _____

If Summons, complete following:

☐ Arraignment ☐ Initial Appearance

Defendant Address:

c/o Michael Gibson, Esq., B, P & G, LLP
2414 N. Akard, Ste. 700
Dallas, TX 75201

*Where defendant previously apprehended on complaint, no new summons or warrant needed. since Magistrate has scheduled arraignment

Date/Time: February 9, 2004 9:30am

Before Judge: _____

Comments:

ATTACHMENT

Offenses:

Count One: 18 U.S.C. § 371 – Conspiracy

Counts Two
thru Six: 18 U.S.C. § 1030(a)(6)(A) – Trafficking in Passwords to Gain
Unauthorized Access to a Computer with Intent to Defraud

Counts Seven
thru Sixteen: 18 U.S.C. §§ 1030(a)(2)(C) & 1030(c)(2)(B)(i) – Unauthorized Access to
a Protected Computer

Penalties:

Count One: Maximum term of imprisonment of 5 years, \$250,000 fine, 3 years of
supervised release, and \$100 mandatory special assessment

Counts Two
thru Six: Maximum term of imprisonment of 1 year, \$100,000 fine, 1 year of
supervised release, and \$25 mandatory special assessment

Counts Seven
thru Sixteen: Maximum term of imprisonment of 5 years, \$250,000 fine, 3 years of
supervised release, and \$100 mandatory special assessment

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT
 BY: ☐ COMPLAINT ☐ INFORMATION ☒ INDICTMENT
☐ SUPERSEDING

 Name of District Court, and/or Judge/Magistrate Location
 NORTHERN DISTRICT OF CALIFORNIA
OFFENSE CHARGED

See Attachment

☐ Petty
☐ Minor
☐ Misdemeanor
☒ Felony

DEFENDANT - U.S.

GEOFFREY MICHAEL GLAZE

CR 04
DISTRICT COURT NUMBER**PENALTY:**

See Attachment

PROCEEDING

Name of Complainant Agency, or Person (& Title, if any)

Federal Bureau of Investigation

☐ person is awaiting trial in another Federal or State
☐ Court, give name of court

☐ this person/proceeding is transferred from another
☐ district per (circle one) FRCrP 20, 21 or 40. Show
☐ District

☐ this is a prosecution of
☐ charges previously dismissed
☐ which were dismissed on
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DOCKET NO.MAGISTRATE
CASE NO.
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KEVIN V. RYAN

☒ U.S. Att'y ☐ Other U.S. Agency

 Name of Asst. U.S. Att'y
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Kyle F. Waldinger

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IS IN CUSTODY

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- 5) ☐ On another conviction
- 6) ☐ Awaiting trial on other charges } ☐ Fed'l ☐ State
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 Has detainer been filed? ☐ Yes ☐ No } If "Yes" give date filed
**DATE OF
ARREST**

Month/Day/Year

Or... if Arresting Agency & Warrant were not

Month/Day/Year

**DATE TRANSFERRED
TO U.S. CUSTODY**
☐ This report amends AO 257 previously submitted
ADDITIONAL INFORMATION OR COMMENTS**PROCESS:**☐ SUMMONS ☐ NO PROCESS*☐ WARRANT Bail Amount: _____

If Summons, complete following:

☐ Arraignment ☐ Initial Appearance

Defendant Address: _____

 *Where defendant previously apprehended on complaint, no new summons
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Date/Time: _____

Before Judge: _____

Comments: _____

ATTACHMENT

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NORTHERN DISTRICT OF CALIFORNIA

OFFENSE CHARGED

See Attachment

☐ Petty
☐ Minor
☐ Misdemeanor
☐ Felony

DEFENDANT - U.S.

KEVIN HAROLD SMITH

DISTRICT COURT NUMBER

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Federal Bureau of Investigation

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Name and Office of Person
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(if assigned)

Kyle F. Waldinger

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Has detainer been filed? ☐ Yes ☐ No

If "Yes" give date filed

DATE OF ARREST

Month/Day/Year

Or... if Arresting Agency & Warrant were not

Month/Day/Year

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Bail Amount:

If Summons, complete following:

☐ Arraignment ☐ Initial Appearance

Defendant Address:

*Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment

Date/Time:

Before Judge:

Comments:

ATTACHMENT

Offenses:

Count One: 18 U.S.C. § 371 – Conspiracy

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Counts Two

thru Six:

18 U.S.C. § 1030(a)(6)(A) – Trafficking in Passwords to Gain
Unauthorized Access to a Computer with Intent to Defraud

Counts Seven

thru Sixteen:

18 U.S.C. §§ 1030(a)(2)(C) & 1030(c)(2)(B)(i) – Unauthorized Access to
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Maximum term of imprisonment of 5 years, \$250,000 fine, 3 years of
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thru Six:

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